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## **Easyknit International Holdings Limited**

**永義國際集團有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 1218)**

### **DISCLOSEABLE TRANSACTION**

The Company has, through its wholly-owned subsidiary, disposed of its entire holding of Sinounion Petro Shares as of the date of this announcement on the market comprising of 11,100,000 Sinounion Petro Shares on 16 June 2009, 4,250,000 Sinounion Petro Shares on 22 June 2009 and 14,530,000 Sinounion Petro Shares on 23 June 2009 respectively for aggregate gross sale proceeds of HK\$26,094,900.

The applicable percentage ratios under rule 14.07 of the Listing Rules in respect of the Sinounion Petro Disposals exceed 5% but is less than 25%. Therefore, the Sinounion Petro Disposals constitute a discloseable transaction of the Company under rule 14.06(2) of the Listing Rules.

### **THE SINOUNION PETRO DISPOSALS**

The Company has, through its wholly-owned subsidiary, disposed of its entire holding of Sinounion Petro Shares as of the date of this announcement on the market comprising of 11,100,000 Sinounion Petro Shares on 16 June 2009, 4,250,000 Sinounion Petro Shares on 22 June 2009, and 14,530,000 Sinounion Petro Shares on 23 June 2009 respectively, which together represent approximately 0.524% of the issued share capital of Sinounion Petro (based on its issued share capital of 5,702,464,000 shares as shown in the 2008 interim report of the Sinounion Petro dated 29 December 2008). The aggregate gross sale proceeds of the Sinounion Petro Disposals were HK\$26,094,900 which were received by payment in cash. The consideration received by the Company represented the then market price of the Sinounion Petro Shares. As a result of the Sinounion Petro Disposals, the Company will recognise a loss of approximately HK\$19,560,000 calculated on the basis of the difference between the acquisition price and the disposal price exclusive of transaction costs.

As the Sinounion Petro Disposals were made through the market, the Company is not aware of the identities of the buyers of the Sinounion Petro Shares and accordingly, to the best of the knowledge of the directors of the Company having made all reasonable enquiries, the purchasers of the Sinounion Petro Shares are third parties independent of the Company and connected persons (as defined in the Listing Rules) of the Company, its subsidiaries and their respective associates.

## **REASONS FOR THE SINOUNION PETRO DISPOSALS**

The Company's principal businesses are in garment sourcing and export, property investments and development, investment in securities and loan financing.

The directors of the Company consider that the Sinounion Petro Disposals will enhance cash balances of the Company for future development. In addition, as the Sinounion Petro Shares were sold at market price, the Board believed that the Sinounion Petro Disposals were fair and reasonable and in the interests of the shareholders of the Company as a whole. The Company intends to use the net proceeds as the general working capital of the Group.

## **INFORMATION ON SINOUNION PETRO**

Sinounion Petro is a company incorporated in Bermuda with limited liability and listed on the main board of the Stock Exchange. Based on its company profile made available on the website of the Stock Exchange, Sinounion Petro is principally engaged in trading of polyurethane materials, fuel oil and oil gas exploration and exploitation and operation.

Further information on Sinounion Petro can be found through on the Stock Exchange website. Based on the 2008 interim report of Sinounion Petro, the unaudited net asset value of Sinounion Petro as at 30 September 2008 was HK\$12,471,391,000, while the unaudited net asset value of Sinounion Petro attributed to the Sinounion Petro Disposals was approximately HK\$65,350,089. According to the annual reports of Sinounion Petro for the two years ended 31 March 2007 and 31 March 2008 respectively, its net profits from ordinary activities (before and after taxation) were HK\$10,872,000 and HK\$8,063,000 and HK\$1,935,739,000 and HK\$1,929,369,000 respectively.

## GENERAL

The applicable percentage ratios under rule 14.07 of the Listing Rules in respect of the Sinounion Petro Disposals exceed 5% but is less than 25%. The Sinounion Petro Disposals constitute a discloseable transaction of the Company under rule 14.06(2) of the Listing Rules.

As at the date of this announcement, the Board comprises Mr. Kwong Jimmy Cheung Tim and Ms. Lui Yuk Chu as executive directors, Mr. Tse Wing Chiu, Ricky as non-executive director and Mr. Tsui Chun Kong, Mr. Jong Koon Sang and Mr. Hon Tam Chun as independent non-executive directors.

## TERMS USED IN THIS ANNOUNCEMENT

In this announcement, the following terms are used with the meanings set opposite them:-

“Company”	Easyknit International Holdings Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Stock Exchange
“Board”	the board of directors of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratios”	has the meaning ascribed thereto in Chapter 14 of the Listing Rules
“Sinounion Petro”	Sino Union Petroleum & Chemical International Limited, a company the shares of which are listed on the main board of the Stock Exchange (Stock code: 346)
“Sinounion Petro Disposals”	the disposals by the Company of its entire holding of Sinounion Petro Shares as of the date of this announcement on the market comprising of 11,100,000 Sinounion Petro Shares on 16 June 2009, 4,250,000 Sinounion Petro Shares on 22 June 2009 and 14,530,000 Sinounion Petro Shares on 23 June 2009 respectively

“Sinounion Petro Shares”	shares of HK\$0.02 each in the share capital of Sinounion Petro which are listed and traded on the Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	percentage

By Order of the Board  
**Easyknit International Holdings Limited**  
**Kwong Jimmy Cheung Tim**  
*President and Chief Executive Officer*

Hong Kong, 24 June 2009

\* *For identification only*